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H.R. 3106, Construction Reform Act of 2015, as amended

FLOOR SITUATION

On Tuesday, February 9, 2016, the House will consider [H.R. 3106](#), the Construction Reform Act of 2015, as amended, under suspension of the rules. H.R. 3106 was introduced on July 16, 2016 by Rep. Jeff Miller (R-FL) and was referred to the Committee on Veterans' Affairs, which ordered the bill reported, as amended, by voice vote on September 17, 2015.

SUMMARY

H.R. 3106 makes various reforms to the Department of Veterans Affairs (VA) medical facility construction process to increase efficiency and prevent cost overruns. Specifically the bill, requires the VA to use industry standards and certain management for medical facility construction projects; restricts the VA from using certain funds to cover excessive cost overruns without Congressional approval; increases VA congressional reporting requirements for construction projects; and creates a new position within the VA, the Assistant Inspector General for Construction, to oversee the construction of VA facilities and infrastructure.

BACKGROUND

The Veterans Health Administration (VHA) operates one of the largest health care systems in the world, which includes 152 hospitals, 800 community-based outpatient clinics, 126 nursing home care units and 35 domiciliaries.¹ According to the Committee, many of VHA's facilities are outdated, with the average age of a VA medical facility approaching sixty years. "Updating these facilities necessitates a complex and costly major medical facility construction program."²

In 2013 the Government Accountability Office (GAO) reported that VA's four largest medical center construction projects³ experienced significant cost increases and extensive construction delays. In November 2012, these cost increases ranged from 59 percent to 144 percent higher than the original cost estimate with a total additional cost increase of nearly \$1.5 billion. The schedule delays for these

¹ See VA website, [About VA History](#)

² See [House Report 114-364](#) at 6.

³ Denver, Colorado; Las Vegas, Nevada; New Orleans, Louisiana; and, Orlando, Florida.

projects ranged from 14 to 74 months, with an average delay of 35 months. In the report, GAO recommended significant changes to VA procedures relating to the construction of major medical construction projects.⁴

According to the Committee, “in light of the mismanagement of this and other VA major medical facility projects, the Committee strongly believes that VA’s construction management processes must be reformed, strengthened, and aggressively overseen.”⁵ H.R. 3442 provides certain safeguards in an effort to improve efficiency and prevent cost overruns during the construction of VA facilities.

COST

The Congressional Budget Office (CBO) [estimates](#) that implementing H.R. 3106 would have discretionary costs of \$1 million over the 2016 to 2020 period; such spending would be subject to the availability of appropriated funds. Enacting H.R. 3106 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

STAFF CONTACT

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

⁴ See GAO Report, [“Additional Actions Needed to Decrease Delays and Lower Costs of Major Medical-Facility Projects.”](#) April 4, 2013.

⁵ See [House Report 114-364](#) at 7.